

Exhibit 4



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11/9/03 Portland Oregonian A01
2003 WL 3836027

The Oregonian
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Sunday, November 9, 2003

LOCAL STORIES

SAUDI CHARITY IN ASHLAND ON TERRORISM 'WATCH LIST'

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Summary: An international group kicked out of 10 countries after being suspected of financing terrorism runs its U.S. branch in Oregon. A Saudi Arabian charity shut down in 10 countries for suspected ties to al-Qaida and other terror groups operates in the United States through a branch in Ashland.

Al-Haramain Islamic Foundation is among the leading Saudi charities suspected of funneling millions of dollars to terrorists and is under intense scrutiny by U.S. and Saudi authorities. The Bush administration twice has dispatched high-level delegations seeking Saudi cooperation to shut down Al-Haramain.

The Senate Banking Committee is investigating "all sources of funding" for terrorists, including charities. "The operations, both domestically and abroad, of the Islamic charity Al-Haramain will be included in this examination," Andrew Gray, spokesman for committee chairman Sen. Richard Shelby, R-Ala., told The Oregonian on Friday.

The Al Haramain Islamic Foundation Inc. in Ashland has not been accused of any crime, and federal officials are reluctant to publicly outline their concerns because it would disrupt ongoing investigations.

But the FBI has placed the Oregon foundation and two of its directors on a "watch list" of more than 300 individuals and organizations with financial transactions that might have supported terrorism. Federal law enforcement sources say investigators are tracking the flow of money through the Oregon charity, including thousands of dollars transferred to Saudi Arabia.

In addition, families of some victims of the Sept. 11 attacks have sued the Ashland foundation saying it funded terrorism and is "specifically linked" to al-Qaida. A second lawsuit filed by insurers claims all four directors of Al Haramain in Oregon also were involved in an international terrorism network. The Saudi charity was named in both suits as well.

The Ashland foundation says it condemns terrorism and is only "loosely affiliated" with the Saudi charity. The two organizations are separate entities but have shared common leadership and funding.

Three of the Ashland foundation's directors are high-ranking officials in the Saudi foundation, one of whom said all of the roughly 50 international offices were under the "tight control" of the main Saudi charity.

Day-to-day operations in Ashland were run by Pete Seda, a local tree trimmer known in Southern Oregon as a peace advocate on behalf of Islam. Acquaintances say he rejected terrorism and urged people to get along.

"We are not aware of any individual in our organization who is involved in terrorist activity and we invite law enforcement agencies to help us find and eliminate anyone

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who may be involved," Seda told the Associated Press last year after the Saudi foundation's branches in Somalia and Bosnia were designated as terrorist organizations.

Seda and other officials with the Oregon and Saudi foundations didn't respond to telephone and e-mail messages or written questions, and the Oregon foundation's attorneys also declined repeated requests for comment.

When Saudi officials cracked down on Al-Haramain to close some of its international offices, the Saudi foundation's director general was defiant.

"We are like heroes in the Islamic world because America is against us," said Aqeel Abdul Aziz Al-Aqeel.

"We still can do the work in Bosnia and Somalia even if our offices there were closed," Al-Aqeel told the Saudi news media. "We can run the work through preachers. They can close the offices, but they cannot arrest all the preachers."

Until this year, Al-Aqeel also was president of Al Haramain in Oregon.

Charities called link to terrorism

Islamic charities such as Al-Haramain of Saudi Arabia are targets in the global hunt for terrorism supporters. U.S. intelligence and law enforcement agencies have compiled detailed but classified portraits of which charities have helped terrorists.

In recent congressional testimony, federal officials and other witnesses said Saudi charities, which raise an estimated \$4 billion a year, are a key source of money for terrorist organizations to attract and train recruits, run day-to-day operations and fund terrorist attacks.

"Almost nothing is more important on the battlefield of the war on terror than diminishing the flow of money," David Aufhauser testified in September before recently leaving his post as Treasury Department general counsel.

Aufhauser told Congress that Saudi charities have funded al-Qaida. He estimated al-Qaida operated on \$35 million a year before the Sept. 11 attacks and now spends \$5 million to \$10 million. Investigators estimate the Sept. 11 jetliner attacks cost al-Qaida \$500,000.

Lee Wolosky, a former National Security Council executive, told a national commission investigating the Sept. 11 attacks that al-Qaida's finances have been disrupted but not destroyed.

"As long as al-Qaida retains access to a viable financial network, it remains a lethal threat to the United States," Wolosky testified.

In an interview with The Oregonian, Wolosky said al-Qaida finances were built "on a foundation of charitable giving that is both highly organized and grass roots." He said some Islamic charities knowingly divert money to support terrorists, while others are unwitting accomplices. Telling which is which is an investigative challenge, he said.

U.S. officials say they have pressed the Saudis to cooperate with investigations. The Saudis say they have.

Nail Al-Jubeir, spokesman for the Saudi embassy in Washington, D.C., told The Oregonian, "We are going after those who support terrorists, those who condone it and those who give them religious cover. We have been cracking down big time."

Saudi group's ties studied

U.S. officials will say little about Al-Haramain operations in Saudi Arabia and

elsewhere.

Saudi foundation executives have been fending off suspicions, saying no one -- including the U.S. government -- has presented evidence that the Saudi organization is a terrorist sympathizer. But expert witnesses testifying before two Senate committees have pointed to several connections.

For example, an admitted al-Qaida operative in Indonesia told CIA interrogators that a Southeast Asia militant group was funded by money from Al-Haramain's branch in Indonesia. The militant group was later blamed for bombings in Indonesia.

And German authorities tracking al-Qaida activists and connections to the Sept. 11 attacks are investigating al-Qaida ties to a German mosque funded by Al-Haramain. The property is co-owned by Al-Aqeel, the top Al-Haramain official and co-founder of Al Haramain of Oregon.

In March 2002, U.S. and Saudi officials designated Al-Haramain branches in Bosnia and Somalia as terrorist organizations for funding al-Qaida and other groups. The Saudis ordered Al-Haramain to close its offices in those countries.

"We submitted the names of the individuals who worked in those offices to the United Nations as being involved in terrorism," said Adel Al-Jubeir, a Saudi crown adviser speaking at a news conference last summer in Washington, D.C.

Al-Aqeel -- the foundation's leader in Saudi Arabia -- told the Arab news media that Al-Haramain kept "tight control" of its international affiliates.

"The offices' directors are employees who follow the directions of the main office with regards to hiring workers at the offices and making any decisions on cooperation with any party," he said.

In May, the Saudis ordered eight more branches of the Saudi charity closed because of concerns they were involved in terrorism: Albania, Croatia, Ethiopia, Indonesia, Kenya, Kosovo, Pakistan and Tanzania.

The Saudis acted after U.S. authorities "demonstrated that those offices were perverting the purposes of charity to do violence," Aufhauser told Congress.

"We looked at the other offices of Al-Haramain and we discovered that in many cases, the financial controls were not up to par," said Al-Jubeir, the Saudi adviser. "The individuals working in those offices, the vast majority of them were non-Saudis, about whose background the head organization knew very little."

Al-Aqeel told the Arab news media that Al-Haramain was harassed out of those countries.

"These countries cooperate with America," Al-Aqeel said. "They always accuse us, inspect us, raid us. It disturbed us."

Visible in Oregon after Sept. 11

Al Haramain was nearly invisible in Oregon before the Sept. 11 attacks. The foundation conducted business from a private mail box service. It also ran a prayer house that now sits behind padlocked gates and "No trespassing" signs along a rural highway just beyond the Ashland city limits.

Ashland seems an unlikely place for an international Islamic charity. Most major Islamic charities in the U.S. open in cities with large Muslim populations -- Detroit, Chicago, Houston.

But those cities didn't have Pete Seda, whose work on behalf of Islam apparently caught the attention of Saudi officials half a globe away.

Seda, 45, an Iranian immigrant also known as Perouz Seda Ghaty, came to the United

States for an education in the 1970s. In Ashland, he became a skilled arborist known for saving local heritage trees. In a region with few Muslims, friends and acquaintances say Seda was always available to explain Islam at schools, churches and community forums.

In 1989, Seda set up a foundation to hand out Islamic books to prisoners in the United States and Canada, paying for the effort with profits from his tree business.

Raya Shokatfard, a longtime friend, said requests for books piled up. "He was getting 20, 30 letters a day from prisons," she said. "He was cutting trees, working his tail off to buy books."

Saudi representatives of Al-Haramain approached Seda in 1997, according to court records. They proposed setting up an American charity, funded with Saudi money, to hand out Islamic books.

Seda formed the Oregon branch of Al-Haramain with Soliman H. Al- Buthe of Riyadh, Saudi Arabia, who was also chairman of the Saudi charity's U.S. Committee. Al-Buthe put up the \$187,126 cashier's check that bought the prayer house at Ashland's edge in late 1997, according to IRS records.

Area Muslims, including students recruited overseas for a local English language academy, attended Friday prayers at the property. Schoolchildren visited for what one person called "Islam 101" -- Seda's effort to share his religion. They sat on fat pillows on the floor and made friends with the foundation's camel.

Seda's Ashland attorney, David Berger, said that Seda had to regularly submit his budget and financial requests to the main Saudi foundation for approval.

In June 2000, the Oregon foundation bought a mosque in Springfield, Mo., for \$461,542, which area residents proudly declared the first mosque "in the heart of the Bible Belt."

Springfield Muslims had approached Al-Haramain in Saudi Arabia to buy a building for a mosque in their community. But the Saudi charity sent the money to Ashland to buy and hold title to the building, according to Berger and the foundation's tax records.

Seda changed the legal structure of the Oregon foundation in 1999 and won tax-exempt status from the IRS. Medford attorney Doug Gard said Seda and Al-Buthe insisted he rewrite the incorporation papers to include a rejection of terrorism. Gard complied, adding the statement: "Al Haramain Islamic Foundation Inc. stands against terrorism, injustice, or subversive activities in any form, and shall oppose any statement or acts of terrorism."

Gard said the two men were troubled that Muslims were blamed for the 1998 bombing attacks on U.S. embassies in Kenya and Tanzania. They wanted to publicly oppose terrorism.

Yet the investigation of the bombings, instead of separating Al Haramain in Ashland from terrorism, yielded a connection.

A card, a connection

A simple business card belonging to one of the directors of Al- Haramain in Saudi Arabia was found among the possessions of Wadih El- Hage, an al-Qaida operative in Kenya.

That business card not only was used by prosecutors to help convict El-Hage, but it also prompted families of the Sept. 11 victims to tie the Oregon Al Haramain to al-Qaida.

The card belonged to Mansour Al-Kadi, a Saudi. The card listed Al- Kadi as deputy director general of the Saudi Al-Haramain and "head" of its Africa Committee. He

also was the vice president of the Oregon Al Haramain Foundation.

The Saudi charity's Kenyan operation was under suspicion of being among active "terrorist groups" even before the embassy bombing, according to a State Department report. Authorities had tried to blunt terrorist threats before the 1998 attacks.

That included investigating El-Hage, one-time personal secretary to al-Qaida leader Osama bin Laden. In 1997, investigators searching El-Hage's home found Al-Kadi's card. El-Hage was arrested after the Kenyan bombing and convicted in 2001.

Prosecutors produced Al-Kadi's card along with others to show El-Hage's contacts with associates in Saudi Arabia, Sudan and Kenya. Prosecutors portrayed El-Hage as a global emissary for bin Laden.

Al-Kadi was also one of four founding directors of the Ashland Al Haramain, according to incorporation papers. When the IRS asked for proof that foundation leaders had religious training, Al Haramain of Oregon turned in papers for only one -- Al-Kadi.

Because his business card from Kenya was among El-Hage's possessions, attorneys on behalf of Sept. 11 families claimed in a lawsuit that the Oregon foundation was linked to al-Qaida.

The Oregon foundation responded in court filings that it had no connection to any terrorist group. Al Haramain of Oregon complained it had been "dragged" into the mammoth case with approximately 200 other defendants because it was an Islamic organization and it shared directors with the Saudi operation.

In a statement the day after that suit was filed, Seda and Al-Buthe said the foundation had cooperated with law enforcement agents and steadfastly condemned the Sept. 11 attacks.

"On that day, not only was our country attacked, but the Islamic faith as well," they said.

Ashland attorney Susan Saladoff in October 2002 tried to get the Oregon foundation out of the case. She offered to open the Oregon charity's records, and have Seda and Al-Buthe sit for depositions and help the families' lawyers in their case against other defendants.

In return, Saladoff wanted Al Haramain dropped from the lawsuit. The offer went nowhere, and Al Haramain asked a federal judge to dismiss the case because there wasn't "a single scintilla of evidence" connecting the Oregon foundation to the Sept. 11 attacks or any other terrorism.

Earlier this year, the judge dismissed racketeering and negligence claims against the foundation but let stand for trial allegations that Al Haramain was part of an international terrorist conspiracy.

Portland Seven tie

The Ashland charity also has a link to Oregon's highest-profile federal investigation.

In January 2002, federal officials arrested Sofiane T. Benziadi, 31, in Seattle on an immigration charge. Benziadi had moved to Portland from Ashland, where he had used the Al Haramain prayer house as his home address on vehicle registration papers. He also used the foundation's private mail box service and was listed for a time as office manager of Seda's tree business.

When arrested, Benziadi told investigators he knew of a failed mission to send Portland-area men to Afghanistan to wage war against U.S. troops. The so-called Portland Seven plot wouldn't become public until nine months after Benziadi's arrest.

Benziadi also said that after the mission failed, he was called by Habis Abdulla al Saoub, the former mujahedeen accused of leading the group. Benziadi said al Saoub kept the conversation general because he feared the FBI was monitoring it.

Benziadi left the country soon after his arrest. And U.S. officials later posted a \$5 million reward for al Saoub, who was killed recently in Pakistan as part of an alleged al-Qaida cell attacking U.S. troops in Afghanistan.

By early 2002, Seda, Al-Buthe and the Oregon foundation appeared on an FBI "watch list" related to financial transactions possibly linked to terrorism. Law enforcement agencies and financial institutions were asked to alert investigators if they had information on anyone appearing on the list.

Federal agents now are investigating the Ashland foundation's finances, including the transfer of thousands of dollars to Saudi Arabia.

One person familiar with the Oregon foundation's operations said a \$40,000 check was dispatched to Saudi Arabia earlier this year just before Seda left the country. The source said the check went to Al-Buthe, the charity's treasurer who lives in Riyadh.

Law enforcement sources say more money flowed into the Oregon charity from Saudi Arabia than went back, but investigators also are examining donations that came to Ashland from around the United States.

Today, the Oregon foundation's status is uncertain. It maintains a mailbox service and telephone calls are handled by an answering service. The Web site it shared with Al-Haramain of Saudi Arabia is "closed for development."

Seda reportedly now lives in Dubai. He told friends he expects to return to Oregon by the end of the year, but his attorney isn't sure Seda will return.

Berger, Seda's attorney, said Seda told him he is seeking work overseas because his business suffered after the Sept. 11 attacks. He said Seda endured threats while in Oregon.

"He's been terrorized," Berger said.

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Caption: BW photo by LES ZAITZ/The Oregonian 2 BW photos of AQEEL AZIZ AL-AQEEL and WADIH EL-HAGE

---- INDEX REFERENCES ----

NEWS SUBJECT: (Crime/Courts (GCRIM); Acts of Terror (GTERR); Page One Story (NPAG); Political/General News (GCAT); Risk News (GRISK); Content Types (NCAT))

REGION: (Afghanistan (AFGH); United States (USA); United States - Oregon (USOR); Asian Countries (ASIAZ); Central Asian Countries (CASIAZ); Developing Economies (DVPCOZ); North American Countries (NAMZ); Western U.S. (USW))

Language: EN

OTHER INDEXING: LCR; Oregon Foreign National; LOCAL/REGIONAL; THE OREGONIAN; Federal Bureau of Investigation; Seda, Pete; Al-Aqeel; Aufhauser, David; Al-Buthe, Soliman H; Berger, David

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EDITION: SUNRISE

Word Count: 2938

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